



Running At the Speed of Business: A Strategic Plan to Strengthen Idaho's Economy

FY2013-2016 Strategic Plan

July 1, 2012

VISION AND STANDARD

The Idaho Department of Commerce has one overarching objective...

GROW IDAHO'S ECONOMY TO \$60 BILLION AND BEYOND

In order to accomplish this vision, the Idaho Department of Commerce has declared a standard that it will maintain in every activity, every strategy, and every goal. Very simply it is to....

RUN AT THE SPEED OF BUSINESS!

Underneath that standard, the Department will harness Idaho's greatest strengths to create a nationally competitive, long-term foundation for economic growth.

CORE VALUES/GUIDING PRINCIPLES

Be a Partner to Business

Business is our top priority. Our constant focus is to understand the needs of Idaho's industries and ensure our team provides timely, effective and flexible solutions that are lockstep with the aggressive timeframes that business demands. The end result: businesses in Idaho will know they have a resource, advocate, and most importantly, a partner in state government.

Top Priority: Existing Businesses

The strongest economic foundation Idaho can create will be built on strategies that support existing Idaho industries. Idaho's historical philosophy has been that any policy or resource intended to attract new industry must also benefit existing companies and communities. The Department's strategies carefully respect and incorporate that tradition in all of its priorities.

Promote Results Driven Government

Transparency, accountability, and measurable results are important for any government agency. The Idaho Department of Commerce respects the importance of all three and incorporates those guiding principles in all of our processes. Measureable outcomes are particularly important. Whether it is measuring the success of our services to businesses or how we deploy and measure the success of our grant programs, we consistently and carefully measure our efforts.

Community Success = Idaho Success

Our Idaho communities, both large and small, are the backbone of our great state. Imbedded in each community are strong values and ethics that are based on our Western, rural heritage. In order for our state to move forward, we must ensure our communities retain a vibrant future of growth. Commerce is committed to building and assisting communities across the state in their efforts to secure economic opportunity and reach their respective goals. We will provide assistance to communities of all sizes – including those in the most rural areas to our state – to ensure that each community has equal opportunity for job creation and economic growth.

Idaho's Greatest Strength: TEAM IDAHO

As a state, our greatest strength is the ability to bring people together at all levels of leadership to create solutions for the entire state. In short, we are “one big small town.” We value teamwork and collaboration and we have the ability to create synergistic and proactive solutions to the challenges that business face. Harnessing that strength in a systematic way is paramount for Idaho to be competitive. Commerce will work at every level to facilitate and harness the power that can come from Idaho working together.

PROGRAMS AND SERVICES

The Idaho Department of Commerce is committed to ensuring access to a comprehensive menu of high-quality services, education, training and information for all its customers and partners. The agency offers many economic development programs through:

Business Development/Attraction provides resources to help Idaho businesses start up, expand and find new markets; attract new businesses to Idaho; and fund local economic development efforts.

Community Development provides financial and technical assistance to Idaho's cities and counties for construction and rehabilitation of public facilities necessary to support economic diversification, job creation, business expansion and a sense of community.

International Business Development helps Idaho's businesses export goods and services, develops new markets, increases foreign awareness and acceptance of Idaho's products and services, attracts international investment and coordinates the state's protocol efforts.

Tourism Development works to expand Idaho's tourism and recreation industry by marketing the state and travel opportunities at home and abroad; distributing grants to communities to promote tourism; developing, soliciting and promoting tourism events and attractions.

GOAL ONE:**CREATE AND MAINTAIN A LONG-TERM ECONOMIC GROWTH STRATEGY**

Objective: In conjunction with the Governor and state leadership, develop a long-term strategic plan that will create a foundation to build Idaho's economy to \$60 billion and well beyond that level.

Strategies:

- Complete a review of best practices and innovative economic development strategies used by other states across the nation. Identify those strategies that could be utilized in Idaho.
- In conjunction with industry leaders and other state agencies, complete an industry-based analysis of Idaho's economy. Analysis will evaluate historical, current, and projected growth opportunities for the state.
- Partner with business and state leaders to develop strategies and forecasts specific to Idaho's *leading* industries. Summarize industry recommendations and develop initial forecasts and milestones to monitor with industry leaders.
- Partner with business and state leaders to develop strategies and forecasts specific to Idaho's *emerging* industries. Summarize industry recommendations and develop initial forecasts and milestones to monitor with industry leaders.
- Incorporate feedback from business leaders into industry specific recruiting strategies. Develop targeted business recruiting campaigns that will attract business that complements and enhances existing Idaho industries.
- Develop ongoing communication processes to ensure the exercise does not become a one-time event. Incorporate industry conversations and review of best practices as an ongoing part of Commerce focus to ensure any plans or strategies are constantly updated as new information is available.
- Develop initial recommendations for the Governor and other state leaders to consider in the development of a long-term economic development strategy for the state.

Desired Outcome:

To evaluate opportunities for Idaho to embrace innovative strategies and industry specific feedback as it considers a long-term economic growth strategy.

Performance Measures:

- Development of industry based economic analysis and research.
- Completion of industry meetings and/or surveys completed in conjunction with industry based analysis.
- Summary of best and innovative practices and initial recommendation of tools and strategies for state leadership to consider.
- Monitor overall measure of GDP for entire state and the corresponding measures for each industry.
- With Idaho Department of Labor, monitor overall job growth for the state and its industries.
- Track 2-percent lodging tax receipts to monitor growth of tourism in the state.

GOAL TWO:**ENHANCE CUSTOMER FOCUS OF DEPARTMENT SERVICES**

Objective: Provide superior customer service and support to both existing Idaho businesses and communities, and to new businesses looking to expand or relocate into the state.

Strategies:

- Schedule and maintain quarterly strategic meetings with key state agencies and regular meetings with other partner organizations to ensure that business needs are being addressed all across the state.
- Create a web-based proposal tool that will automate and accelerate the sales process. The proposal tool will create a statewide system that will assist all economic development professionals in the state and streamline the access and efficiency for economic development professionals (site selectors) outside the state.
- Engineer a customized sales process that showcases Idaho's greatest strengths, harnesses Idaho's unmatched access to state leadership and maximizes the state's regional capabilities.

- Evaluate and review the opportunity to create a “one stop portal” for businesses that would provide access to all business related services provided by the state. A web portal would provide a streamlined way to access state services and a coordinated guide to new companies who need to navigate state requirements.
- For individuals wishing to start in a business in Idaho, facilitate technical support, referrals to and assistance working with partner agencies, and introductions to available financial assistance.
- Increase Idaho business awareness of global export opportunities and financial resources available through the State Trade Export Promotion grant program.
- Facilitate outbound export sales opportunities for Idaho businesses and create Idaho Export Circuit to generate inbound export sales opportunities as a strategy for business growth and expansion.
- Expand opportunities for Idaho companies to do business with federal, state and local government.
- Grow tourism products and infrastructure by supporting hotel, resort and attraction developers.
- Expand the travel and convention industry through the disbursement of grants to tourism promotion organizations.

Desired Outcomes:

Business customers working with the Idaho Department of Commerce value each interaction as a positive and productive experience.

Performance Measures:

- Number of meaningful discussions with other state agencies and organizations focused on supporting Idaho businesses.
 - Completion and statewide deployment of web-based proposal tool.
 - Track and monitor the number of companies participating in annual trade missions and the corresponding revenues resulting from the missions.
 - Track Idaho Recreation and Tourism leveraged fund growth.
 - Track the number of clients utilizing our technical assistance program.
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- Number of Market Access Grants awarded to Idaho companies (contingent upon STEP Grant Award from SBA).

GOAL THREE:

LAUNCH AND BUILD THE IGEM PLATFORM

Objective: To rollout the Governor's Idaho Global Entrepreneurial Mission (IGEM) initiative and create a platform that facilitates and accelerates the transfer of technology from Idaho's research institutions into the marketplace. The end objective is to increase the industry support for research performed in Idaho and to create high level jobs within Idaho's industries.

Strategies:

- Establish and formally organize the IGEM Council.
- Create the necessary rules and processes associated with the deployment of the IGEM grant funds.
- Create and articulate the milestones and the measures used to evaluate the initial and ongoing success of the IGEM program.
- Initiate the deployment of IGEM grant funds.
- Facilitate and initiate ongoing and dynamic discussions with industry leaders, university leaders, Idaho National Laboratory (INL)/Center for Advanced Energy Studies (CAES) leaders, institutional capital leaders, and state leaders to ensure a robust dialogue occurs between all the parties affiliated with IGEM.
- Monitor and evaluate best practices from other states and research institutions to ensure IGEM is capturing the best, time-tested approaches that will accelerate the program success in Idaho.
- Develop reporting and measurement systems that incorporate all IGEM activities. Working with State Board of Education and CAES leadership, develop the comprehensive reporting and monitoring anticipated by the Governor and Legislature.
- Create collaboration and shared processes, where possible, with SBOE and INL/CAES to ensure the overarching objective of IGEM relations its focus on advancing the commercialization of research in the state of Idaho.

Desired Outcomes:

IGEM will draw industry, research institutions, institutional and industry capital, and state leadership together to drive economic growth from the research available in the state.

Performance Measures:

- Completion of rules and procedures for IGEM grants.
- Development of milestones and measures for state leadership to evaluate the success of the program.
- Number of grants issued and the corresponding success.
- Comprehensive and collaborative reporting system completed to meet expectations of the Governor and Legislature.

GOAL FOUR:**HELP IDAHO COMMUNITIES ACHIEVE THEIR FULL ECONOMIC POTENTIAL**

Objective: Work with cities, counties and economic development organizations throughout Idaho to ensure they have the tools and support they need to create jobs and grow their local economies.

Strategies:

- Provide support to local communities and counties in business retention, expansion and recruitment opportunities.
- Support and encourage local communities to embrace the Main Street program and/or the resources available from Commerce (and its partners), to increase the competitive capability and revitalization of Idaho's communities and regions.
- Improve safety, livability and economic vitality of communities by leveraging Community Development Block Grant (CDBG) funds that assist communities in bringing their public infrastructure or facilities into compliance with environmental laws or building codes, revitalizing their downtown districts and/or creating jobs.
- Support communities in leveraging CDBG, Rural Community Block Grants (RCBG), and Gem Grants for public infrastructure or public facilities for job retention or creation.

- Develop an ongoing pipeline or review of all infrastructure projects being contemplated within the state. Maintain the list and incorporate a review of the potential projects as part of the process used to recommend grants to the Economic Advisory Council (EAC).
- Monitor and review the effectiveness of the current CDBG, RCBG and Gem Grant scoring systems. Evaluate any potential changes and prepare recommendations to the EAC and Governor's Office.

Desired Outcomes:

The Department will carefully manage its stewardship over the federal and state grant funds and assist Idaho's communities as they increase their respective opportunities to remain vibrant and competitive.

Performance Measures:

- Track other state and private funds leveraged with each grant.
- Track the number of jobs created.
- Track the average job multiplier of created jobs.
- Track the number of sub-standard infrastructure systems that were improved.
- Track the number of residents benefitting.

GOAL FIVE:**UNIFY AND MODERNIZE COMMUNICATION STRATEGIES TO MARKET IDAHO**

Objective: Embrace existing activities and technology to enhance our ability to market Idaho's successes with minimal cost.

Strategies:

- Optimize marketing efforts by developing a common branding theme that strategically supports both tourism and economic development. A common branding theme would simplify the Department's efforts and would be a more efficient use of marketing dollars.
- Initiate a strategic revision of the Idaho Department of Commerce website. The revision will be customer-focused, user-friendly and will implement best practices from other economic development sites including the development of innovative web tools, utilization of interactive material, and integration with social media.

- Leverage the use of digital material instead of printed material, and incorporate more proactive social media in the Department's marketing efforts.
- Create an industry focused approach to marketing Idaho and its opportunities, and identify strategic public relations relationships that are focused on Idaho's industries.
- Proactively communicate the success stories of Idaho businesses as a benefit to Idaho businesses. The Department will monitor success stories from across the state and broadcast those stories leveraging its national network, department blogs and other social media.
- Proactively coordinate marketing efforts between the Division of Tourism and businesses audiences to ensure all visitors to the state recognize both the business and tourism opportunities in the state.

Desired Outcomes:

Idaho becomes known nationally and around the world as an innovative, business-friendly state that boasts diverse scenic beauty and recreational opportunities.

Performance Measures:

- Monitor and track Google Analytics on the Idaho Department of Commerce's web platforms.
- Track the level of interaction on social media sites.
- Track the shared leads between Tourism and Business Attraction.

EXTERNAL FACTORS

Various factors occurring internationally, nationally and locally have the potential to affect the Idaho Department of Commerce's ability to reach the aggressive goals outlined in this plan.

- The national and international economies affect Idaho's overall business climate and export industries. Likewise, Idaho's economy is greatly affected by the value of commodity prices such as semiconductors, agricultural crops and minerals. Reductions in federal spending for agriculture, energy and public land management increase unemployment and impact small businesses dependent on federal contracting opportunities. State and federal funding levels affect the department's programs dependent on funding for staff resources, promotional activities and travel.

- Workforce recruitment of highly skilled labor such as software developers, engineers, and specialized welders are in great demand from many Idaho companies. Existing business is increasingly high-tech and Idaho has a shortage of qualified, technically-skilled labor to fill immediate needs.
- Financial lending has a significant impact on the economy, business expansion and job creation. The difficulty in obtaining financing will make it more challenging for business to obtain capital for expansion.
- Currency values, especially the value of the American dollar relative to other currencies, effect volume and direction of international trade flow as well as the number of international visitors.
- Energy costs effect the cost of doing business in Idaho. The availability of power, impediments to development of alternative power generation and drought can impact all sectors of Idaho's economy.
- Broadband accessibility is crucial to business recruitment and economic development, especially in the rural areas of Idaho.
- Federal, state and local taxes and regulations effect all business and community development activities. Stable, equitable tax systems and a fair and predictable regulatory environment make Idaho more competitive in business recruitment and expansion activities.
- Public land management policies can affect the growth and profitability of Idaho's agriculture, forest products, mining, and outdoor recreation industries.

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